



“The assessed value of a home is not an indicator of a family’s ability to pay school taxes. We have to explore alternatives to providing school district funding to help families on Long Island who find themselves ‘house rich and cash poor’ and struggle to pay their property taxes.”

HARVEY B. LEVINSON

Chairman, Nassau County Board of Assessors

OUTLINE OF ASSESSOR LEVINSON’S SCHOOL DISTRICT INCOME TAX PROPOSAL

- Eliminate the residential portion of the school property tax and replace it with a modest income tax to be paid by the owners of one, two, and three-family homes, condominiums and co-ops, as well as renters. County and town budgets would continue to be funded by the property tax.
- All commercial and utility property, traditional apartment buildings (4 or more units), and non-residents would continue to pay property taxes.
- Each school district would have the same income tax rate.
- Establish a “floor and ceiling” cap on the residential income levels to be taxed.
- Since the residential portion of the school property tax would be eliminated, the total State authorization for STAR would be reclassified and used as an income tax supplement. School districts where revenue raised through the income tax would not be enough to fund its budgetary needs would receive additional State aid and STAR money credits.
- School districts where income tax revenue raised exceeds budgetary needs can be placed in a special reserve account, so that all income tax revenue raised in a school district stays within the school district.
- Share the commercial property tax base throughout the County with all school districts.

“A bi-partisan blue-ribbon committee should be created by the Governor to examine these and other worthy proposals aimed at reducing the overall school property burden in Nassau and Suffolk counties before the tax crisis overwhelms us.”

ADVANTAGES OF A RESIDENTIAL SCHOOL DISTRICT INCOME TAX

1. Homeowners will be able to make improvements to their homes without increasing their share of school taxes.
2. Residential property tax certiorari will all but be eliminated - reducing the amount of debt incurred by the County due to successful assessment challenges.
3. Millions of dollars will be saved in the cost of administering the STAR program and defending assessments.
4. Homeowners will be less inclined to illegally rent out rooms to pay their property taxes.
5. Homeowners will pay school taxes based on their ability to pay.